

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF LOUISVILLE CGSA, INC.,)	
FOR THE ISSUANCE OF A CERTIFICATE OF PUBLIC)	
CONVENIENCE AND NECESSITY TO PROVIDE A NEW)	
DOMESTIC PUBLIC CELLULAR RADIO TELE-)	
COMMUNICATIONS SERVICE TO THE PUBLIC IN)	CASE NO.
THE GREATER LOUISVILLE METROPOLITAN AREA)	9048
INCLUDING ALL, OR PARTS OF, JEFFERSON,)	
BULLITT, SPENCER, SHELBY, OLDHAM, TRIMBLE,)	
AND HENRY COUNTIES IN KENTUCKY AND FLOYD,)	
CLARK, AND HARRISON COUNTIES IN INDIANA)	

ORDER GRANTING CERTIFICATE

On May 4, 1984, Louisville CGSA, Inc., ("LCGSA") filed an application pursuant to KRS 278.020 for a certificate of public convenience and necessity to construct and operate a cellular radio telecommunications system in the greater Louisville, Kentucky, area. On May 25, 1984, CELLNET/Louisville, Cellular Mobile Services of Kentucky, Inc., Courier Communications Corporation, Gencom, Inc., Jeftel Cellular Radio Incorporated, Kentucky Cellular Telephone Company, Louisville Radiofone, Incorporated, M-C Partners of Louisville, Metro Mobile CTS, Millicom, Inc., and Westel-Louisville Company, Ltd., ("Louisville Telephone") requested to intervene in the case. Louisville Telephone's intervention was granted by the Commission on June 4, 1984.

On June 5, 1984, the Commission conducted an evidentiary hearing on LCGSA's application for the certificate. Louisville Telephone participated in this hearing as did the Attorney General through his Consumer Protection Division. At the hearing, LCGSA testified that the Federal Communications Commission ("FCC") had granted it a construction permit in December, 1983, and that it proposes to build five cell sites in the Louisville area -- four in Kentucky and one in Indiana. (T.E. 44.)¹ LCGSA testified that cellular technology provides more reliable service than existing mobile phone service due to the much lower rate of "blocking" experienced in cellular. The company stated that it expected to have approximately 1100 customers by the end of its first year in operation. (T.E. 59.)

LCGSA's financial witness then testified that the applicant would be funded 100 percent by its parent, BellSouth Mobility, Inc. LCGSA estimated that the system would require approximately \$7.9 million through the preoperational phase. (T.E. 75.) No evidence was offered by Louisville Telephone or the Attorney General.

In an ordinary certificate case under KRS 278.020, the Commission determines whether or not to grant a certificate based upon its consideration of need for the service, avoidance of wasteful duplication, and the financial capability of the

¹ "T.E." refers to the official transcription of the PSC's hearing of June 5, 1984.

applicant.² However, as all parties to this case agree, the issue of "need" is not present since the FCC has already preempted the states by its finding of need for cellular service on a national level.³ Moreover, "wasteful duplication" is also not an issue in this case since the cellular service that LCGSA will provide in the Louisville area is so technologically advanced over existing mobile telephone systems that it is properly viewed as a new service that does not duplicate any existing facilities. Accordingly, the primary issues in this case for the Commission to decide are whether LCGSA is financially and technically capable of providing the service.

The record in the present case clearly supports a conclusion that LCGSA is financially sound. All funding will come from LCGSA's parent, BellSouth Mobility, Inc., which in turn is a subsidiary of BellSouth, Inc. As to LCGSA's technical capability, the evidence shows that BellSouth Mobility, Inc., is currently operating and/or constructing cellular systems in several other metropolitan areas in the United States. This past experience in cellular technology establishes LCGSA's technical credentials for its Louisville operations.

² Kentucky Utilities Company v. PSC, 252 S.W.2d 885, 890 (Ky. 1952); Satterwhite v. PSC, 474 S.W.2d 387, 389 (Ky. 1972).

³ 89 FCC 2d 58, 82, 94-95 (1982).

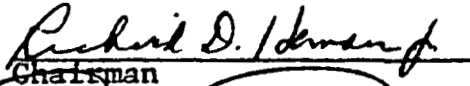
Based upon the above-stated findings and being advised, the Commission HEREBY ORDERS that:

1. LCGSA be and it hereby is granted a certificate of public convenience and necessity for the construction of a cellular telephone system in the Louisville, Kentucky, metropolitan area;

2. Final approval of LCGSA's rates is withheld until an additional hearing is held on the proposed tariffs.

Done at Frankfort, Kentucky, this 20th day of July, 1984.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:

Secretary